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## SENATE BILL No. 218

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12.1-16.

**Synopsis:** Recovery of local property tax incentives. Requires a property owner to pay back all or part of the property taxes saved by the property owner as a result of the property tax deduction for rehabilitating or redeveloping real property if the property owner ceases operations during the deduction period or fails to employ the number of individuals the property owner estimated in the application for the deduction. Provides that the methodology for determining the amount to be paid back must be set forth in the resolution approving the deduction. Provides that each affected taxing unit receives a pro rata share of the amount paid back.

**Effective:** July 1, 2010.

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January 11, 2010, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

## SENATE BILL No. 218

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-12.1-16 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2010]: **Sec. 16. (a) A property owner that has**  
4 **received a deduction under section 3, 4.5, 4.6, or 4.8 of this chapter**  
5 **is subject to this section if the designating body adopts a resolution**  
6 **incorporating this section for the economic revitalization area in**  
7 **which the property is located.**

8       **(b) If the property owner (or, in the case of a deduction under**  
9 **section 4.8 of this chapter, the property owner or a tenant of the**  
10 **property owner):**

11       **(1) ceases operations at the facility for which the deduction**  
12 **was granted; or**

13       **(2) does not employ the number of individuals that were**  
14 **estimated to be employed under section 3 of this chapter;**

15 **the designating body may adopt a resolution requiring the**  
16 **property owner to pay back property taxes saved by the property**  
17 **owner as a result of the deduction in the amount determined using**



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the methodology set forth in the resolution. The designating body shall provide the property owner with a written copy of the resolution by certified mail. The property owner shall pay to the county treasurer the amount set forth in the resolution. The payment shall be made not later than sixty (60) days after the date of the designating body's resolution.

(c) A property owner may appeal the designating body's decision under subsection (b) by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. The complaint must be filed not later than thirty (30) days after the date of the certified mailing of the designating body's resolution. An appeal under this subsection shall be promptly heard by the court without a jury and determined not more than thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court may be appealed in the same manner as other civil actions.

(d) If an appeal under subsection (c) is pending, the payment required by this section is not due until after the appeal is finally adjudicated and the property owner's liability for the payment is finally determined.

(e) The designating body shall in the resolution approving a deduction under section 3, 4.5, 4.6, or 4.8 of this chapter set forth the methodology that will be used to determine the amount of property taxes that may have to be paid back by a property owner under this section if:

- (1) the property owner ceases operations, as described in subsection (b)(1); or
- (2) the property owner does not employ the number of individuals that were estimated to be employed, as described in subsection (b)(2).

(f) The county auditor shall determine the allocation amount for each taxing unit that contains property for which property taxes were paid back by the property's owner under this section using the same allocation amount as that used for distributing property taxes for each year the deduction was taken. The county treasurer shall distribute money paid under this section on a pro rata basis to the general fund of each taxing unit that contains the property for which property taxes were paid back by the property's owner under this section using the allocation amounts determined by the

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1      **county auditor.**

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